

COFFEY COUNTY FSA AG REPORT



Coffey County FSA

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Hours

**8:00 A.M.-
4:30 P.M.
Monday -**

Friday

Office Staff

**Kim Specht
Vicki Fry
Vickie Wolford
Meagan Wilson
Doug Peine, CED**

County Committee

**Warren Graham, Chairperson
Wallace Birk, Vice Chairperson
Daryl Knight, Member
Bonnie Davies, COC Advisor**

The committee meets the 2nd Wednesday of each month.

MAY 2006 NEWSLETTER

2006 DCP SIGN-UP

Please remember the Direct and Counter-cyclical Payment (DCP) program requires contracts to be signed **EVERY** year to verify payment shares and to select advance payment options. The County Office recently sent out a mailing of those who have not initiated a contract and to those with missing signatures. It is **VERY** important for you to review the contracts for accuracy and inform our office of any changes to your farm operation for the 2006 crop year.

All producers on the farm must sign and return the 2006 DCP contract **BEFORE** it can be approved and advance payments are issued. If you have a valid Power Of Attorney (POA) on file and will be signing on behalf another person, please find out if and when they would like their 2006 advance payment.

A 40% advance direct payment may be requested. This amount changed effective February 8, 2006. All farms approved for payment after this date will receive the 40% advance instead of 50%. For the 2007 crop year, producers will have the option to receive an advance payment of up to 22% of the total direct payment. For 2006 and 2007, the total value of the direct payment does not change. Producers will receive the balance of the direct payment in the second installment which is paid in October.

Once again it is very important for you to take inventory to make certain all applicable signatures have been returned, so all of your farms are enrolled timely. The 2006 DCP sign-up deadline is **June 1, 2006**. Failure to meet this deadline will result in a late filing fee of \$100.00 per farm. Please contact our office for additional information.

2006 CROP ACREAGE REPORTS

Please remember that acreage reporting is required in order for you to be eligible for payments under the Direct and Counter-cyclical Payment (DCP) program, CRP, as well as for loans and LDP's. The final date to report your planted acres of wheat, oats, and barley is **MAY 31, 2006**. The final date to report corn, milo, soybeans, grass, and CRP is **August 1, 2006**. If you recently received a letter concerning DCP enrollment or if you missed your appointment **and have wheat, oats, or barley planted**, then please contact our office to schedule an appointment prior to **May 31st**.

LDP REMINDERS

Last August, the Farm Service Agency announced the launch of the CCC-633 EZ to replace the old CCC-709 and CCC-633-LDP forms. Since then, it's undergone a few modifications to make it even more user-friendly.

The EZ form is a two-part loan deficiency request that allows producers to (1) indicate their intentions to receive LDP benefits *before* losing beneficial interest in the eligible commodity, and (2) submit a request for an LDP payment at any time during the loan/LDP availability period. This may be done before or after losing beneficial interest.

The EZ form was developed to cover field direct LDPs, basic LDPs and CCC-cotton AA. It was revised to cover basic and field direct LDPs for wool, mohair and unshorn pelts.

By signing the first page of the EZ form, the producer indicates his or her intentions to receive LDP benefits. This one page covers all counties and all eligible harvested commodities for the entire crop year for the individual, joint operation or entity identified on the form.

Once the first page of the form has been signed and submitted, the producer can submit an LDP request for payment by completing page 2 for all harvested commodities, except cotton; page 3 for cotton; or page 4 for wool, mohair and unshorn pelts. The LDP request can be submitted at any time during the loan availability period, before or after losing beneficial interest.

A key point to remember is that page 1 of the EZ form must be signed by the producer before beneficial interest in the commodity is lost. Once beneficial interest is lost, the commodity is ineligible for an LDP even if beneficial interest is regained.

All producers are encouraged to submit page 1 of the EZ for each crop year whether or not they plan to subsequently request a loan or LDP. We attempted to get this during the 2006 DCP sign-up process. Please ensure this has been completed prior to the onset of harvest.

May 31, 2006 is the last day to request a 2005 LDP for corn, milo, sunflowers, or soybeans. LDP's may be requested if you have not received a previous payment on the grain. If you still maintain beneficial interest in the grain, the LDP rate will be the rate in effect on the date of the request. If you have already sold the grain and the CCC-633EZ page 1 was filed prior to selling, the LDP will be requested on page 2 of the form and the sales date will be used to determine the applicable LDP rate.

LOAN REMINDERS

The final date to request a 2005 loan for corn, milo, sunflowers, or soybeans is also **May 31, 2006**. Please remember that taking an LDP payment on grain makes you ineligible to request a CCC loan on that quantity.

Do not forget, if you have grain under a Commodity Credit Corporation (CCC) loan it cannot be removed without prior authorization or repayment. Unauthorized removal or disposition may result in monetary and administrative penalties. Producers planning to remove or clean grain under a CCC loan need to contact the county office before taking any action.

Kansas farm-stored loan policies require grain to remain in a measurable position throughout the loan period. This means our field assistants need to be able to enter the bin safely to complete the inspection. Grain that is above the eaves of the bin will not allow safe entry. These policies also require permanently attached outside ladders for bins that are taller than 12 feet at the eaves. If the bin is not full, then a permanently attached inside ladder is also required.

Failure to comply with the Kansas stored loan policies is considered noncompliance and can result in administrative and monetary penalties.

COMPLETE YOUR CRP PRATICES TIMELY

If your land got accepted in the 29th general or a continuous sign-up, please remember the requirement to complete your practice within the first year of the contract. **May 15th** is the final seeding date for native grass. Now would be a good time to think about completing these activities. Once your grass is seeded, please remember to submit all of your bills to our office as well as the seed tags to NRCS. We will have some cost share forms for you to sign after completion, so payments may be issued.

Another common issue concerning the continuous CRP process is missing flags. One of the very first items of completion during this process is determining acreage eligibility and identifying the eligible area out in the field. Depending on the time of year and the CRP practice, several weeks or months may pass between the time the area is determined eligible and the time the area is seeded. We have a measurement service fee charge that is based on a one time trip to the field to identify the area and to determine the eligible acres. It is your responsibility to ensure the CRP boundary is maintained. This boundary should be identifiable from the time you submit the offer and continue until your contract has expired. We highly encourage you to place some type of permanent marker in the field as a reference. If we have to return to the field to identify the area another measurement service fee will be charged.

CRP “REX”

Conservation Reserve Program participants who have contracts expiring on Sept. 30, 2007, 2008, 2009, or 2010, should have received a letter from our office explaining your options under REX (the 2007-2010 CRP contract re-enrollment and extension program).

Depending upon your contract’s Environmental Benefits Index, producers will have an option to re-enroll their land in a new 10- to 15-year CRP contract (those in the top 20 percent of EBI scores) or extend their existing contract for five years (second 20 percent set of EBI scores), four years (third 20 percent set), three years (fourth 20 percent set) or two years (fifth 20 percent set).

Eligible producers for the 2007 REX had until April 28 to accept the offer. Producers with contracts expiring 2008 through 2010 will need to contact our office and pay the applicable compliance fee by June 30, 2006. If you have accepted the offer to re-enroll or extend a field assistant will be viewing your acreage in the near future to make a compliance determination. You must be in compliance with your CRP conservation plan in order for you to continue your contract. Common non-compliance issues include the presence of noxious weeds, invasive trees, and unauthorized uses of CRP such as for gas or oil wells, access roads, etc.

If you have accepted an offer or plan to do so under REX, please take the time to view your acreage for compliance. If you do not pass the compliance test, your offer to extend or reenroll will be disapproved. Please contact the county office staff if you have any questions.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all programs and activities on the basis of race color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status (Not all bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (braille, large print, audiotapes, etc.) should contact the USDA TARGET Center at (202) 720-2600 (voice or TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326W, Whitten Building, 14th and Independence Avenue SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

FARM RECONSTITUTIONS

When changes in farm ownership or operation take place, a farm reconstitution is required. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

Estate, Designation of Landowner, DCP Cropland, and Default are the different methods of division used when doing a farm recon. Remember, to be effective for the current year, recons must be requested by Aug. 1 for farms enrolled in the Direct and Counter-cyclical Program. The final date to request a 2006 reconstitution is Aug. 1, 2006. If 2006 DCP direct payments have already been issued on the farm, the reconstitution will be effective for 2007, unless the payments are refunded.

FARM STORAGE FACILITY LOANS

Are you running out of places on your farm to store grain? Then you might think about looking into FSA’s Farm Storage Facility Loan program. Under the program, eligible producers can borrow up to 85 percent of their net costs (up to \$100,000 for each borrower signing the note) for storage and handling equipment.

Loans may be made for the purchase and installation of eligible storage facilities, permanently affixed drying or handling equipment, or remodeling existing facilities. The maximum term of the loan is 7 years, and current loan rate is 4.625 percent. Please contact our office for more information about facility loans.

SODBUSTER - SWAMPBUSTER

Most Farm Service Agency programs require compliance with sodbuster and swampbuster provisions. These provisions require producers to follow an approved conservation plan on all highly erodible land planted to an annual crop as determined by the Natural Resources Conservation Service.

Be sure to have determinations made on any new land you plan to plant to annual crops. If you plan to plant a different crop on your current cropland, check with NRCS to assure the new crop will qualify under your conservation system.

Swampbuster provisions state that converting a wetland to make possible the planting of a crop will result in the loss of all USDA benefits. To avoid this possibility it is strongly recommended that producers check with NRCS before starting any kind of dirt work.

NEW FACE IN THE OFFICE

If you have been in the office lately, you have probably noticed a new office staff member. Megan Wilson joined our staff in late January to fill a Program Technician vacancy. Megan is a Lyon County native and grew up on a farm near Hartford, KS. Megan worked in the Lyon County Conservation District Office and the USDA Rural Development office prior to her arrival. Megan will be a true asset to our team in Coffey County. The next time you are in the office, give her a big welcome.